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THE ADMINISTRATION
Closing CIA's Cashbox

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After the Central Intelligence Agency's covert financing of the National Student Association and other groups was exposed seven weeks ago, Lyndon Johnson reacted with the standard political ploy of appointing a committee to investigate. In this case, at least, the President was not merely taking evasive action. When the committee turned in its report to him last week, Johnson immediately acted on its recommendation that CIA be prohibited by year's end from funding any educational, philanthropic or cultural organization.

"I accept this committee's proposed statement of policy and am directing all agencies of the Government to implement it fully," declared Johnson.

While the three-man committee, headed by Under Secretary of State Nicholas Katzenbach, defended the need for secret financing when CIA started the practice 15 years ago, it concluded that this is now outdated and unnecessary. Enough private foundations currently exist to give financial aid to most needy groups. For those that are unable to find such help or that seem especially worthy, the Katzenbach committee recommended that a public-private organization—perhaps like the Smithsonian Institution—be created. Johnson named Secretary of State Dean Rusk to head a new committee charged with setting up such a body.

Although the committee reported that the number of American organizations covertly financed by the CIA was only a "small fraction" of such groups, it declared that the new policy was necessary "to make it plain in all foreign countries that the activities of private American groups abroad are, in fact, private."